

**THIS CONTRACT IS SUBJECT TO ARBITRATION PURSUANT TO  
THE MONTANA UNIFORM ARBITRATION ACT**

**1. PARTIES**

The Montana Department of Corrections (DEPARTMENT) and **Sandy Heaton (CONTRACTOR)** enter into this Contract (**05-034-ACCD**). The parties names, addresses, telephone numbers, and Federal Employee Identification Number (Contractor only) is as follows:

Montana Department of Corrections  
Adult Community Corrections Division  
1539 11<sup>th</sup> Avenue  
PO Box 201301  
Helena, MT 59620-1301  
(406) 444-3930

*Sandy Heaton  
1015 Kohrs  
Deer Lodge MT 59722  
  
(406) 846-2710  
FEI# 521-54-1184*

**DEPARTMENT AND CONTRACTOR, AS PARTIES TO THIS CONTRACT AND FOR THE CONSIDERATION SET FORTH BELOW, AGREE AS FOLLOWS:**

**2. DUTIES/RESPONSIBILITIES OF THE CONTRACTOR**

CONTRACTOR agrees to provide DEPARTMENT with the following services:

- Mental health assessments
- Chemical Dependency assessments
- Sex offender screening, assessments, evaluations, and individual and group sessions
- Consultations with MASC staff at staffing/screening meetings
- Counseling of offender's
- Recommendations for placement in Community Corrections programs

Services shall be provided to offender's assigned/sanctioned to the Missoula Assessment/Sanction Center (MASC) "as requested" by the MASC Administrator and will be provided at the MASC facility in Missoula, Montana, unless otherwise agreed upon. Attendance at staffing/screening meetings will occur at mutually agreeable times, as requested by designated MASC staff.

CONTRACTOR agrees to share [appropriate] information about the offenders with the MASC screening committee in an effort to assist the committee in selecting the best placement option for the offender and insure the safety and security of the local communities and the offenders at MASC.

Further, CONTRACTOR understands and agrees that offender records contain confidential information that shall not be disseminated to the general public or other persons that do not have a legitimate interest in assisting the CONTRACTOR and DEPARTMENT in attaining the goals of this Contract. Failure to comply with this requirement may result in termination of this Contract.

**3. COMPENSATION/BILLING**

DEPARTMENT shall compensate CONTRACTOR for successful delivery of services (or goods), provided pursuant to Section 2, in the following manner:

- A. DEPARTMENT shall pay CONTRACTOR **\$40.00 per hour**, not to exceed sixteen thousand and 00/100 Dollars (\$16,000.00) per Fiscal Year for the services described in Section 2 above. This rate is inclusive of all travel and per diem.
- B. DEPARTMENT agrees to pay CONTRACTOR within 30 days following receipt of a correct invoice. Invoices shall be submitted to the MASC Administrator monthly for approval and authorization for payment
- C. DEPARTMENT may withhold payments to CONTRACTOR if CONTRACTOR has not performed in accordance with the terms of this Contract.
- D. The Contract number must be referenced on all invoices and correspondence pertaining to this Contract.

**4. AGENCY ASSISTANCE**

To the extent possible, CONTRACTOR shall use its own facilities and equipment in providing the services set forth in Section 2. However, the parties recognize that services provided to DEPARTMENT may occur within the confines of a secure correctional facility necessitating the use of DEPARTMENT facilities and equipment including, but not limited to, access to inmate records, work space within a correctional facility, and telephone service (e.g., Montana State Prison and Montana Women's Prison do not allow wireless phones within facility).

**5. TIME OF PERFORMANCE**

This Contract shall take effect upon receipt of final contract signature and shall terminate on June 30, 2006, unless terminated earlier in accordance with the terms of this Contract. This Contract may, upon mutual agreement and according to the terms of the existing Contract, be renewed for a period not to exceed a total of five (5) additional years.

Upon expiration of this Contract, and in the absence of a new written agreement, the terms listed herein shall continue to govern the agreement between the parties until such time as a new Contract is signed.

**6. LIAISONS AND NOTICE**

- A. Dan Maloughney, (406-258-4021), 2340 Mullen Road, Missoula MT 59808 or successor serves as DEPARTMENT'S liaison.
- B. Sandy Heaton, (406-846-2710), 1015 Kohrs, Deer Lodge MT 59722 or successor serves as CONTRACTOR'S liaison.
- C. All notices and invoices required in this Contract shall be in writing, properly addressed to the liaison in (A) and (B) above, mailed first-class, postage prepaid. All notices sent via U.S. Postal Service are deemed effective on the date of postmark. Notices and invoices mailed through another carrier (e.g., UPS or FedEx) are effective upon receipt.

**7. OWNERSHIP AND PUBLICATION OF MATERIALS**

All materials CONTRACTOR develops or utilizes (i.e., reports, spreadsheets, etc.) in performing the services set forth in Section 2 above shall be the sole property of DEPARTMENT.

## 8. COMPLIANCE WITH WORKERS' COMPENSATION ACT

Neither CONTRACTOR nor its employees are employees of the State. In accordance with sections 39-71-120, 39-71-401, and 39-71-405, MCA, Contractors are required to comply with the provisions of the Montana Workers' Compensation Act while performing work for the State of Montana. CONTRACTOR shall provide proof of compliance in the form of workers' compensation insurance, an independent contractor exemption, or documentation of corporate officer status and maintain such insurance, exemption, or corporate officer status for the duration of the contract. CONTRACTOR shall submit a copy of all renewals of expired insurance and exemptions to: Department of Corrections, Fiscal Bureau, Attn: Contracts Manager, PO Box 201301, Helena, MT 59620-1301.

## 9. HOLD HARMLESS AND INDEMNIFICATION

- A. CONTRACTOR agrees that he is financially responsible (liable) for any audit exceptions or other financial loss to DEPARTMENT due to the negligence, intentional acts, or failure for any reason to comply with terms of this Contract.
- B. CONTRACTOR agrees to protect, defend, and save the State, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, and causes of action of any kind or character, including the cost of defense thereof, arising in favor of CONTRACTOR'S employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omission of CONTRACTOR and/or its agents, employees, representatives, assigns, subcontractors, except the sole negligence of the State, under this agreement.

## 10. INSURANCE

- A. **General Requirements:** CONTRACTOR shall maintain for the duration of the Contract, at its cost and expense, insurance against claims for injuries to persons or damages to property, including contractual liability, which may arise from or in connection with the performance of the work by CONTRACTOR, agents, employees, representatives, assigns, or subcontractors. This insurance shall cover such claims as may be caused by any negligent act or omission.

**Primary Insurance:** CONTRACTOR'S insurance coverage shall be primary insurance as respect to the State, its officers, officials, employees, and volunteers and shall apply separately to each project or location. Any insurance or self-insurance maintained by the State, its officers, officials, employees or volunteers shall be in excess of CONTRACTOR'S insurance and shall not contribute with it.

**Deductibles and Self-Insured Retentions:** Any deductible or self-insured retention must be declared to and approved by DEPARTMENT. At the request of DEPARTMENT either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the State, its officers, officials, employees, and volunteers; or (2) CONTRACTOR shall procure a bond guaranteeing payment of losses and related investigations, claims administration, and defense expenses.

**Certificate of Insurance/Endorsements:** A certificate of insurance from an insurer with a Best's rating of no less than A- indicating compliance with the required coverages must be received by the Contracts Manager, PO Box 201301, Helena, MT 59620-1301 prior to start of work under this Contract. CONTRACTOR must immediately notify DEPARTMENT of any

material change in insurance coverage, such as changes in limits, coverages, policy status, etc. DEPARTMENT reserves the right to require complete copies of insurance policies at all times.

- B. **Specific Requirements for Automobile Liability:** CONTRACTOR shall purchase and maintain occurrence coverage with combined single limits for bodily injury, personal injury, and property damage of \$500,000.00 per occurrence and \$1,000,000.00 aggregate per year to cover such claims as may be caused by any act, omission, or negligence of CONTRACTOR or its officers, agents, representatives, assigns or subcontractors.

**Additional Insured Status:** The State, its officers, officials, employees, and volunteers are to be covered as additional insureds for automobiles leased, hired, or borrowed by CONTRACTOR.

- C. **Specific Requirements for Professional Liability:** CONTRACTOR shall purchase and maintain occurrence coverage with combined single limits for each wrongful act of \$1,000,000.00 per occurrence and \$2,000,000.00 aggregate per year to cover such claims as may be caused by any act, omission, negligence of CONTRACTOR or its officers, agents, representatives, assigns or subcontractors. Note: if "occurrence" coverage is unavailable or cost prohibitive, CONTRACTOR may provide "claims made" coverage provided the following conditions are met: (1) the commencement date of the Contract must not fall outside the effective date of insurance coverage and it will be the retroactive date for insurance coverage in future years; and (2) the claims made policy must have a three year tail for claims that are made (filed) after the cancellation or expiration date of the policy.

## 11. ACCESS AND RETENTION OF RECORDS

CONTRACTOR agrees to provide DEPARTMENT, the Legislative Auditor, or their authorized agents with access to any records necessary to determine Contract compliance (Ref. 18-1-118, MCA). CONTRACTOR agrees to create and retain all records supporting the services rendered and/or supplies delivered for a period of three years after either the completion date of this Contract or the conclusion of any claim, litigation, or exception relating to this Contract taken by the State of Montana or a third party.

## 12. PUBLIC INFORMATION

CONTRACTOR recognizes that this Contract may be subject to public inspection pursuant to Article 2, § 9 of the Montana Constitution. DEPARTMENT has a limited ability to assert a privacy interest in the subject matter of the Contract particularly with respect to information which is in the nature of a "trade secret" as the phrase is defined in federal law. In any event, CONTRACTOR agrees to hold DEPARTMENT harmless from any injury caused, in whole or in part, by the review of this agreement by an entity authorized to do so pursuant to Article 2, § 9 of the Montana Constitution.

## 13. ASSIGNMENT, TRANSFER AND SUBCONTRACTING

CONTRACTOR shall not assign, sell, transfer, subcontract or sublet rights, or delegate duties under this Contract, in whole or in part, without the prior written approval of DEPARTMENT. No such written approval shall relieve CONTRACTOR of any obligation of this Contract and any transferee or subcontractor shall be considered the agent of CONTRACTOR. CONTRACTOR shall remain liable as between the original parties to the Contract as if no such assignment had occurred.

## 14. AMENDMENTS

All amendments to this Contract shall be in writing and signed by the parties.

**15. COMPLIANCE WITH LAWS**

CONTRACTOR must, in performance of work under the Contract, fully comply with all applicable federal, state, or local laws, rules and regulations, including the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. Any subletting or subcontracting by CONTRACTOR subjects subcontractors to the same provision. In accordance with section 49-3-207, MCA, CONTRACTOR agrees that the hiring of persons to perform the Contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by persons performing the Contract.

**16. TERMINATION AND DEFAULT**

- A. DEPARTMENT may, by written notice to CONTRACTOR, terminate this Contract in whole or in part at any time CONTRACTOR fails to perform as required in this Contract.
- B. Either party may terminate this Contract without cause by providing written notice to the other as described in this paragraph. The party desiring to terminate the Contract shall provide written notice to the other, which notice will establish a termination date not less than 30 days from the date of such notice. The termination of this Contract shall not limit any party's pursuit of remedies provided in this Contract or otherwise available under the laws of the State of Montana.
- C. DEPARTMENT, at its sole discretion, may terminate or reduce the scope of this Contract if available funding is reduced for any reason.
- D. Failure on the part of either party to perform the provisions of this Contract constitutes default. Default may result in pursuit of a remedy for breach of Contract including, but not limited to, monetary damages or specific performance.

**17. CHOICE OF LAW AND VENUE**

The laws of Montana govern this Contract. The parties agree that any mediation, arbitration or litigation concerning this Contract must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees (Ref. 18-1-401, MCA).

**18. LICENSURE**

CONTRACTOR agrees to provide copies of current licenses and certifications that register CONTRACTOR and any associates performing under this Contract.

**19. ARBITRATION**

Any Claim arising out of, or related to, this Contract shall be settled by binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association. Judgment on the award rendered by the Arbitrator may be entered in any court having jurisdiction thereof.

20. **INTEGRATION**

This Contract contains the entire agreement between the parties and no statement, promises, or inducements made by either party or agents thereof, which are not contained in the written Contract, shall be binding or valid. This Contract shall not be enlarged, modified, or altered except upon written agreement signed by all parties to the Contract.

21. **SEVERABILITY**


A declaration by any court, or any other binding legal source, that any provision of this Contract is illegal and void shall not affect the legality and enforceability of any other provision of this Contract, unless the provisions are mutually dependent.

22. **COMPLETED CONTRACT**

DEPARTMENT cannot disburse any payments under this Contract until a fully executed original Contract is returned to the Department of Corrections, Fiscal Bureau, PO Box 201301, 1539 11<sup>th</sup> Avenue, Helena, MT 59620-1301.

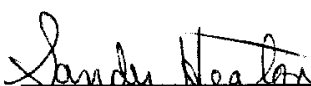
**SIGNATURE**

**DEPARTMENT**

  
\_\_\_\_\_  
Mike Ferriter, Administrator  
Adult Community Corrections Division

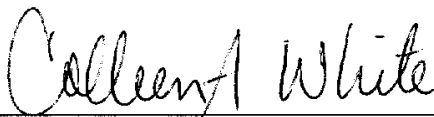
4-21-05  
\_\_\_\_\_  
Date

**CONTRACTOR**

  
\_\_\_\_\_  
Sandy Heaton

3/9/05  
\_\_\_\_\_  
Date

Approved for Legal Content by:

  
\_\_\_\_\_  
Legal Counsel  
Department of Corrections

4/19/05  
\_\_\_\_\_  
Date

**CONTRACT AMENDMENT  
CONTRACT #05-034-ACCD**

THIS CONTRACT AMENDMENT (**Amendment #1**) is made and entered into by and between the Montana Department of Corrections (DEPARTMENT) 1539 11th Ave., Helena, Montana 59620-1301 and **Sandy Heaton** (CONTRACTOR) 1015 Kohrs, Deer Lodge MT, 59722 and is effective upon receipt of all signatures.

WHEREAS, the parties have entered a Contract with an original effective date of April 21, 2005 and Section 20 provides that the parties may modify their agreement in writing; and

WHEREAS, the Contract expires on June 30, 2006 and Section 5 provides that the parties may extend the expiration date of the Contract.

NOW THEREFORE, the parties agree to amend the Contract as follows (**new language underlined, old language interlined**):

**3. COMPENSATION/BILLING**

DEPARTMENT shall compensate CONTRACTOR for successful delivery of services (or goods), provided pursuant to Section 2, in the following manner:

- A. DEPARTMENT shall pay CONTRACTOR **\$40.00 per hour**, not to exceed ~~sixteen thousand and 00/100 Dollars (\$16,000.00)~~ twenty six thousand four hundred and 00/100 Dollars (\$26,400.00) per Fiscal Year for the services described in Section 2 above. This rate is inclusive of all travel and per diem.

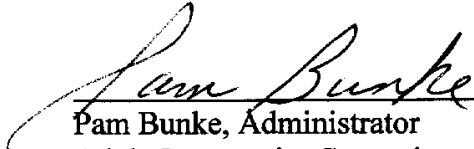
**5. TIME OF PERFORMANCE**

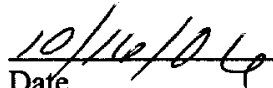
This Contract shall take effect ~~upon receipt of final contract signature~~ on July 1, 2006 and shall terminate on June 30, ~~2006~~ 2007, unless terminated earlier in accordance with the terms of this Contract. This Contract may, upon mutual agreement and according to the terms of the existing Contract, be renewed for a period not to exceed a total of ~~five (5)~~ four (4) additional years.

Upon expiration of this Contract, and in the absence of a new written agreement, the terms listed herein shall continue to govern the agreement between the parties until such time as a new Contract is signed.

This constitutes the Amendment to the Contract. All other provisions contained in the original Contract, as amended, shall remain unchanged.

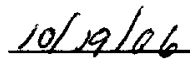
**DEPARTMENT**

  
Pam Bunke, Administrator  
Adult Community Corrections Division


  
Date

**CONTRACTOR**

  
Sandy Heaton

  
Date

Reviewed for Legal Content by:

  
Legal Counsel  
Department of Corrections

  
Date

**CONTRACT AMENDMENT  
CONTRACT #05-034-ACCD**

THIS CONTRACT AMENDMENT (**Amendment #2**) is made and entered into by and between the Montana Department of Corrections (DEPARTMENT) 1539 11th Ave., Helena, Montana 59620-1301 and **Sandy Heaton** (CONTRACTOR) 1015 Kohrs, Deer Lodge, MT 59722 and is effective upon receipt of all signatures.

WHEREAS, the parties have entered a Contract with an original effective date of April 21, 2005 and Section 20 provides that the parties may modify their agreement in writing; and

WHEREAS, the Contract expires on June 30, 2007 and Section 5 provides that the parties may extend the expiration date of the Contract.

NOW THEREFORE, the parties agree to amend the Contract as follows (**new language underlined, old language interlined**):

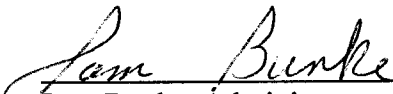
**5. TIME OF PERFORMANCE**

This Contract shall take effect on July 1, 2006 and shall terminate on June 30, ~~2007~~ 2008, unless terminated earlier in accordance with the terms of this Contract. This Contract may, upon mutual agreement and according to the terms of the existing Contract, be renewed for a period not to exceed a total of ~~four (4)~~ three (3) additional years.

Upon expiration of this Contract, and in the absence of a new written agreement, the terms listed herein shall continue to govern the agreement between the parties until such time as a new Contract is signed.

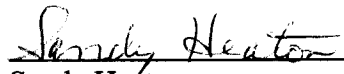
This constitutes the Amendment to the Contract. All other provisions contained in the original Contract, as amended, shall remain unchanged.

**DEPARTMENT**

  
Pam Bunke, Administrator  
Adult Community Corrections Division

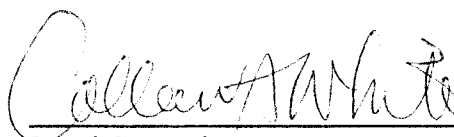
3-30-07  
Date

**CONTRACTOR**

  
Sandy Heaton

4/4/07  
Date

Reviewed for Legal Content by:

  
Legal Counsel  
Department of Corrections

3/29/07  
Date

## CONTRACT AMENDMENT CONTRACT #05-034-ACCD

THIS CONTRACT AMENDMENT (**Amendment #3**) is made and entered into by and between the Montana Department of Corrections (DEPARTMENT) 1539 11th Ave., Helena, Montana 59620-1301 and **Sandy Heaton** (CONTRACTOR) 1015 Kohrs, Deer Lodge, Montana 59722 and is effective upon receipt of all signatures.

WHEREAS, the parties have entered a Contract with an original effective date of April 21, 2005 and Section 20 provides that the parties may modify their agreement in writing; and

WHEREAS, the Contract expires on June 30, 2008 and Section 5 provides that the parties may extend the expiration date of the Contract.

NOW THEREFORE, the parties agree to amend the Contract as follows (**new language underlined, old language interlined**):

### 2. DUTIES/RESPONSIBILITIES OF THE CONTRACTOR

CONTRACTOR agrees to provide DEPARTMENT with the following services:

- Mental health assessments
- Chemical Dependency assessments
- Sex offender screening, assessments, evaluations, and individual and group sessions
- Consultations with MASC staff at staffing/screening meetings
- Counseling of offender's
- Recommendations for placement in Community Corrections programs

Services shall be provided to offender's assigned/sanctioned to the Missoula Assessment/Sanction Center (MASC) "as requested" by the MASC Administrator and will be provided at the MASC facility in Missoula, Montana, unless otherwise agreed upon. Attendance at staffing/screening meetings will occur at mutually agreeable times, as requested by designated MASC staff.

CONTRACTOR agrees to share [appropriate] information about the offenders with the MASC screening committee in an effort to assist the committee in selecting the best placement option for the offender and insure the safety and security of the local communities and the offenders at MASC.

Further, CONTRACTOR understands and agrees that offender records contain confidential information that shall not be disseminated to the general public or other persons that do not have a legitimate interest in assisting the CONTRACTOR and DEPARTMENT in attaining the goals of this Contract. Failure to comply with this requirement may result in termination of this Contract.

### 3. COMPENSATION/BILLING

DEPARTMENT shall compensate CONTRACTOR for successful delivery of services (or goods), provided pursuant to Section 2, in the following manner:

- A. DEPARTMENT shall pay CONTRACTOR **\$40.00 per hour**, not to exceed ~~twenty six thousand four hundred and 00/100 Dollars (\$26,400.00)~~ thirty one thousand six hundred sixteen and 00/100 Dollars (\$31,616.00) per Fiscal Year for the services described in Section 2 above. This rate is inclusive of all travel and per diem.

- B. DEPARTMENT agrees to pay CONTRACTOR within 30 days following receipt of a correct invoice. Invoices shall be submitted to the MASC Administrator monthly for approval and authorization for payment
- C. DEPARTMENT may withhold payments to CONTRACTOR if CONTRACTOR has not performed in accordance with the terms of this Contract.
- D. The Contract number must be referenced on all invoices and correspondence pertaining to this Contract.

**5. TIME OF PERFORMANCE**

This Contract shall take effect on July 1, 2006 and shall terminate on June 30, ~~2008~~ 2009, unless terminated earlier in accordance with the terms of this Contract. This Contract may, upon mutual agreement and according to the terms of the existing Contract, be renewed for a period not to exceed a total of ~~three (3)~~ two (2) additional years.

Upon expiration of this Contract, and in the absence of a new written agreement, the terms listed herein shall continue to govern the agreement between the parties until such time as a new Contract is signed.

This constitutes the Amendment to the Contract. All other provisions contained in the original Contract, as amended, shall remain unchanged.

**DEPARTMENT**

  
Pam Bunke, Administrator  
Adult Community Corrections Division


10/3/08  
Date

**CONTRACTOR**

  
Sandy Heaton

10/8/08  
Date

Reviewed for Legal Content by:

  
Legal Counsel  
Department of Corrections

10/2/08  
Date